

## SENATE BILL No. 573

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 11-11-2.

**Synopsis:** Seizure of inmate trust funds. Permits the department of correction to seize money in an inmate's account that is derived from illegal or fraudulent activity. Provides that money obtained through a fraudulent or illegal act shall be returned to the person against whom the fraudulent or illegal act was committed. Requires the department of correction to deposit the money in the violent crime victim's compensation fund if the department is unable to return the money to that person within 180 days.

**Effective:** July 1, 2007.

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**Steele, Waterman**

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January 23, 2007, read first time and referred to Committee on Corrections, Criminal, and Civil Matters.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 573

A BILL FOR AN ACT to amend the Indiana Code concerning corrections.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 11-11-2-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this  
3 chapter:

4 "Contraband" means property the possession of which is in violation  
5 of an Indiana or federal statute.

6 "Prohibited property" means property other than contraband that the  
7 department does not permit a confined person to possess. **The term**  
8 **includes money in a confined person's account that derives from**  
9 **fraudulent or illegal activity described in section 4(d) of this**  
10 **chapter.**

11 SECTION 2. IC 11-11-2-4 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) When the  
13 department seizes property, it shall give the affected person written  
14 notice of the seizure. This notice must include the date of the seizure,  
15 the property seized, the name of the person who seized the property, the  
16 reason for the seizure, and the fact that the department's action may be  
17 challenged through the grievance procedure.

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(b) When the department seizes property of a confined person that it later determines is neither contraband nor prohibited property, it shall return the property to that person or make such other reasonable disposition as directed by that person.

(c) Except as provided in subsection (d), when the department seizes prohibited property, it shall forward the property to a person or address designated by the confined person or make any other reasonable disposition.

(d) Money seized as prohibited property shall be **disposed of as follows:**

**(1) If subdivision (2) does not apply, the money shall be deposited in the inmate recreation fund of that institution established under IC 4-24-6-6.**

**(2) If the money was provided to a confined person by another person as a result of a fraudulent or illegal act committed by the confined person against the other person, the money shall be returned to the other person. If the department is unable to return the money to the other person within one hundred eighty (180) days after the date the money is seized by the department, the department shall deposit the money in the violent crime victims compensation fund under IC 5-2-6.1-40.**

SECTION 3. IC 11-11-2-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) If the department determines that money in the account of a confined person derives from fraudulent or illegal activity described in section 4(d)(2) of this chapter, the department may seize the money in the account that derives from the fraudulent or illegal activity.

(b) In seizing money under this section, the department shall comply with section 4 of this chapter.

(c) A confined person from whose account money has been seized under this section may challenge the seizure through the grievance procedure.

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